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TO BE FINISHED SOON

ITALY'S FOOD OUTPUT
FAILING TO MEET DEMAND

MEDITERRANEAN CITRUS
GOING TO EASTERN EUROPE

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FEBRUARY 27, 1967

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The great statues at Abu Simbel, moved to the top of the cliff, now look down on the new lake created by Egypt's High Aswan Dam. Story on the dam begins on opposite page; photos courtesy Hamilton Wright.

Contents

3 Egypt May Finish Its New High Aswan Dam Ahead of Time

5 Italy's Food Output Failing To Meet Consumer Demand

6 Inter-American Bank To Help Finance Argentine Farm Development

7 Reputation for Quality Keeps Yugoslav Hops Exports Strong

8 Mediterranean Citrus Countries Find Eastern Europe a Good Market

9 An Era of Change for South-West Africa

10 U.S. Is World's Leading Producer of Red Meat But Ranks in Fifth Place As a Meat Consumer

11 Soviets Increased Output and State Purchases of Both Sunflowerseed and Sugarbeets in 1966

12 Charity Bake Sale in Rome Introduces U.S. Packaged Cake Mixes

13-15 World Crops and Markets (Commodity Index on Page 15)

16 Highlights of the Agriculture and Trade of the Philippines

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Egypt May Finish Its New High Aswan Dam Ahead of Time

Completion of this great project will not cure all the country's economic ailments; but for the immediate future, it will ease food import needs.

By CLINE J. WARREN
Foreign Regional Analysis Division
Economic Research Service

To the long list of monuments in the United Arab Republic (Egypt) commemorating the reigns of the Pharaohs, history may well add the name El Sadd-el-Aali —the High Aswan Dam. This edifice, however, is not designed to glorify the past. Instead, its purpose is to provide the basis for a better future—including an improved food supply—for the country's rapidly increasing population, which now numbers over 30 million and is growing at 2.7 percent or some 800,000 persons annually.

Of such importance is the dam to the country's economic future that a special government agency — the Ministry of the High Dam—was established to supervise all activities connected with it. This Ministry bears the responsibility of seeing that the country's long-held dream becomes a reality at the earliest possible date.

A visit to the site

It is easy, when looking at manmade mountains like the Great Pyramids of Giza, to be captured by Egypt's past. It is equally easy, when looking at projects like the High Aswan Dam, to be captured by the present, for one is immediately impressed by the vastness and complexity of the undertaking. Work is proceeding well ahead of schedule, and the completion date—once set for 1970—has now been moved forward to the latter part of 1967 or early 1968. The dam's impact on the future of Egypt is thus to begin very soon; and it seems appropriate to look ahead at what that impact might be.

Along with James A. Hutchins, U.S. Agricultural Attaché at Cairo, and Afif I. Tannous, Near East and Africa area officer of the FAS Attaché Service, I recently had the opportunity to visit the site of the new High Dam. We spent 2 days in and near Aswan observing and appraising the dam itself as well as other agricultural and industrial projects being undertaken in the area.

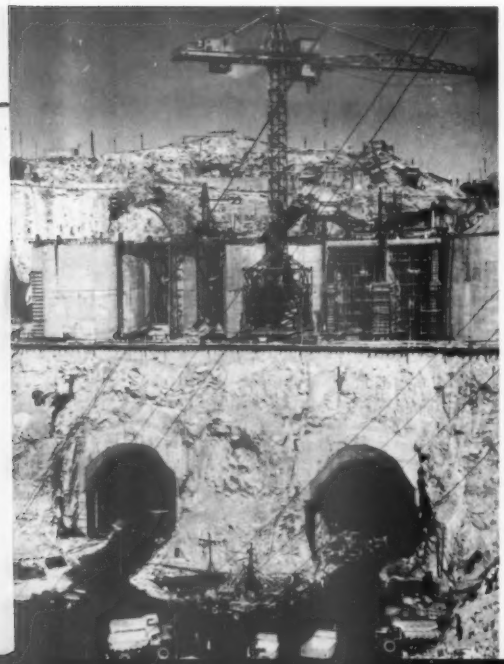
After the visit to the High Dam, we spent the next day observing associated projects in the vicinity of Aswan. We made a quick visit to the research farm where efforts are underway to determine what kinds of crops and what varieties are best suited to the area. We spent some time at two resettlement villages; made a tour through a recently built nitrogen fertilizer plant; and stopped at a plant where sugarcane bagasse material is being pressed into hard sheets to be used for building.

Vital statistics

The High Dam will reportedly cost $955 million, close to one-fourth of Egypt's present total annual Gross National Product. Of this cost, the Soviet Union is supplying $324.9 million through two long-term loans for equipment and technical assistance. The dam is being built about 5 miles south of—upriver from—the present smaller dam at Aswan. That dam too in its day (it was opened in 1902) was considered an engineering miracle.

When completed, the new dam will have a total length of 2.2 miles, of which approximately 565 yards are through the present Nile channel. Called the High Dam because it is among the world's tallest rockfill structures, it will rise 120 yards above the riverbed, with a width of 1,060 yards at its base and 43 yards at its top.

Miles to the north of the main project, on the east side of the Nile, there is a sizable city built specifically to ac-



First stage in the High Dam project was to divert the Nile. Left, building two of the six diversion tunnels. Right, general view of the dam at a later stage of construction, with the lake beginning to form.

Building coffer dam that protected Abu Simbel temples during salvage operation.

commodate the 35,000 persons working at the construction site. This labor force, approximately 900 of whom are Soviet experts, has kept the work going 24 hours a day since January 9, 1960.

Behind the dam a lake is growing—Lake Nasser, destined to be some 300 miles long and cover 3,000 square miles. To make room for it, several entire Egyptian and Sudanese (Nubian) villages with a combined population of over 100,000 are being uprooted and resettled elsewhere. When we were there, the lake was rising at such a pace that it had forced a speedup in the plans of an international team of engineers for moving the mighty monument of Pharaoh Rameses II at Abu Simbel—some 175 miles upstream—to higher ground. The temples have since been moved, and just in the nick of time.

One day, the High Dam will have its legend, like other Egyptian monuments. Part of this legend is sure to be the tremendous quantities of material required for its construction—about 43 million cubic meters, or enough to build 17 pyramids the size of Cheops' greatest monument at Giza. The body of the dam is composed of rockfill, sand, and clay. It has an impervious core, a granite curtain extending 195 yards under the core to meet the bedrock, and a horizontal upstream impervious blanket.

Reportedly, this design was chosen as the best for safety and stabilizing requirements. But the dam's legend may be reinforced by the fact that large supplies of the main building materials lay waiting, as though delivered by plan, near the most advantageous site. On the west bank of the Nile were large sand dunes; the east bank of the river, in complete contrast, consisted of Nubian rock suitable for fill. Had even the second most advantageous site been selected, we were told, the total cost of the project would have been more than doubled.

What Egypt expects from the dam

Now that the High Dam is all but a reality, what can be said about its economic significance? Dam authorities gave us the following array of expected benefits:

- Enough additional water to allow an expansion of the country's total cultivated area by 1.2 million acres;
- Enough water to convert 720,000 acres now under basin irrigation to a system of perennial irrigation, with two crops where only one was previously harvested;
- Enough water to insure adequate supply, evenly distributed, for the present 6.3 million irrigated acres;
- Protection of the cultivated area from floods;
- Better water control in the main canals, which in turn will make for improved drainage conditions;
- Expanded rice production, making large quantities available for export;
- Improved navigation along most of the Nile;
- The generation of 10 billion kilowatt hours of electric energy by the Aswan Dam hydroelectric power station, to be used for the further industrial and agricultural development of the country.

Not a complete solution

The prospect is as magnificent as the dam itself. But, once in the air on our way back to Cairo, with all the manifold activities of the project no longer preoccupying our vision, we became aware that there are limits to what the dam can accomplish.

As we discussed these limits, our plane passed over the great pyramids at Giza. They were moonlit reminders that Egypt's long past is still very much a fact of its everyday life—and that an inescapable part of that past has been the deadly war between population growth and food supply. For thousands of years, the water of the Nile has been Egypt's only weapon in this war.

The High Dam will obviously make for greater gains in the country's agriculture and industry. But total farming acreage will be expanded only approximately 25 percent. Reportedly, much of the increased acreage will be put to rice, fruits, and vegetables (no mention was made of cotton). But Egypt is at present importing close to one-fourth of its food supplies; and under present agricultural practices, it would appear that increased food production from the new area will at best no more than equal present food imports. Yet the ever greater pressure of population growth will continue to result in larger food needs. Thus, the High Dam, while it will make the Nile a more powerful weapon in the war against hunger, does not hold within itself the complete solution to all Egypt's economic problems.

Italy's Food Output Failing To Meet Consumer Demand

By ROBERT C. TETRO
U.S. Agricultural Attaché, Rome

"It isn't the statistics, it's the principle of the thing." This, Italy's agricultural policymakers may be saying as they view with dismay their country's growing trade deficit in food and other agricultural products.

Statistics show these imports in 1966 valued at a record $2.1 billion.* But the tourist business and other invisibles more than offset the deficit, so that Italy's payments surplus, roughly $675 million, will push its hard-currency reserves to a respectable $5 billion.

The principle that dismays the policymakers is the steadily worsening farm situation for many of the items in greatest demand, including beef, chicken, cheese, and olive oil. Imports have had to fill the growing gap between supply and demand.

Among agricultural imports, feedgrains, livestock, livestock products, and fats and oils once again led the list of deficit items, with many subitems in these categories setting new records.

Cost of feedgrain imports in 1966—$400 million—was almost equal to the contribution agricultural products made to the country's total trade deficit.

Third largest beef importer

The 700,000 head of cattle and calves imported through October were already 25 percent above the 1965 level and, for the full year, will undoubtedly exceed the previous record of 1963. Of these, some will help improve Italian herds, but by far the most were slaughtered soon after arrival. This meat imported "on the hoof," combined with record imports of fresh and frozen beef, kept Italy third on the list of the world's major beef importers, surpassed only by the United States and the United Kingdom.

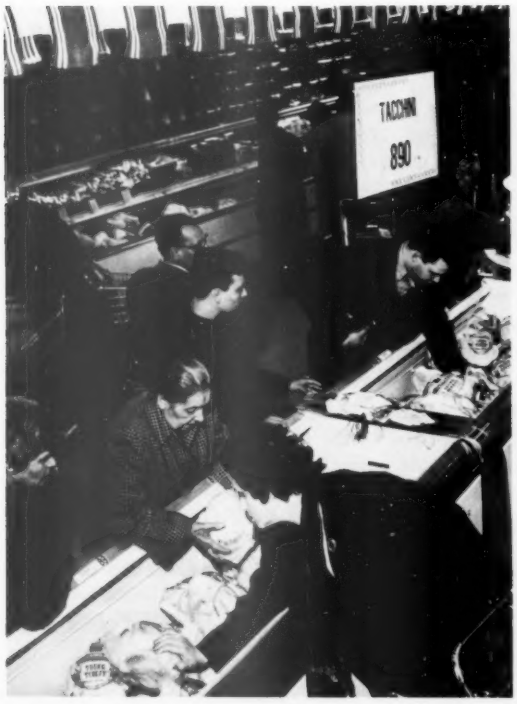
Olive oil imports were five times as large as exports, and domestic supplies were still short. Seed oil, usually imported as seed, moved in as a replacement. Once an export earner, cheese is now a deficit item. Imports of soup extracts doubled last year, seeming to indicate less tender loving care for the pot of stock on the back of the stove and greater use of hot water and cubes. Malt and malt extracts are being imported to meet the growing demand for beer.

While food imports are rising, the extent to which Italy meets its alimentary needs is declining. Partly responsible are the exodus of farmers from the land and the increasing age of those remaining.

A look at supply and demand

The decade 1955-64 was one of general economic advancement. Yet in 1955 Italy's domestic production of cereals met 94.5 percent of consumption; in 1964, only 74.2 percent. Within this group, production of corn met 80 percent of the country's requirements in 1955, 53.7 percent in 1964, and an estimated 42 percent in 1965. Output of all meats took care of 88 percent of 1955 needs, dropping to 73.4 percent in 1964. Beef alone declined from 84.5 to 54.4 percent. A sharp percentage drop also occurred for fats and oils, as output of olive oil was unable to meet demands.

* A cash sales figure, not even approached in the years immediately following World War II when heavy U.S. aid shipments were made to Italy.



Left, supermarket customers shop for meat; below, peach harvest in Italy's Ferrara Province. Meat is one of the country's major deficit items, while fruits are in surplus.

SHARE OF ITALIAN FOOD CONSUMPTION SUPPLIED BY DOMESTIC PRODUCTION

Item	1955	1960	1964	1965
	Percent	*Percent*	*Percent*	*Percent*
Bread and cereals	94.5	74.1	74.2	73.1
Wheat	93.9	77.9	92.9	103.8
Corn [1]	80.0	70.3	53.7	41.7
Meats	88.1	78.8	73.4	(2)
Beef	84.5	68.1	54.4	
Fish	63.2	57.7	61.9	(2)
Eggs and dairy products	98.1	97.7	96.2	(2)
Cheese	100.0	104.5	96.1	
Fats and oils[3]	86.3	89.5	70.5	(2)
Sugar, coffee, cocoa	87.9	84.8	70.8	(2)
Sugar	97.1	93.0	76.8	
Beverages, alcoholic	102.3	104.4	115.9	108.1
Fruits and vegetables	120.3	117.7	113.4	(2)

[1] Quantity used as human food irrelevant, and decreasing annually. [2] Not available. [3] Production in Italy of seed oils from imported oilseeds is counted as domestic production.
Central Institute of Statistics (ISTAT).

Fruits and vegetables were the only crops whose production has met domestic needs, with a substantial quantity left over for export.

Some measure of the problems Italy is facing can be gained from a look at consumer expenditures. In 1951, these totaled $16,584 million, of which $7,562 million or 45.6 percent went for foods and beverages. By 1965, the total had risen to $32,216 million, $13,021 million or 43.5 percent for foods and beverages. Although the percentage of total expenditures going for food has not changed much, economic advances have brought dramatic increases in expenditures on the "better living" items. Some of these are the very items whose production is lagging behind consumer demand.

Expenditures on meat, at $1,218 million in 1951, increased about 137 percent to $2,883 million in 1965 (at constant prices). The percentage increase for meat was exceeded only by that for nonalcoholic beverages, which reflected the rising popularity of soft drinks and lemonade.

ITALIAN CONSUMER EXPENDITURES [1]

Item	1951	1955	1960	1965	Increase 1951-65
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Total living expenses	16,584	19,902	24,936	32,216	94
Foods and beverages:					
Bread and cereals	1,627	1,736	1,866	2,038	25
Meats	1,218	1,611	2,227	2,883	137
Fish	290	341	376	454	57
Eggs and dairy products	1,094	1,331	1,531	1,589	45
Fats and oils	490	600	779	1,066	118
Fruit	514	565	744	1,179	129
Vegetables and potatoes	840	984	1,523	1,869	122
Sugar, cocoa, and confections	320	411	565	715	123
Other foods	98	126	134	181	85
Beverages, nonalcoholic	221	306	429	562	154
Beverages, alcoholic	850	1,085	1,261	1,485	75
Total foods and beverages	7,562	9,096	11,435	14,021	85

[1] At constant prices (1963).
Compiled from data of Central Bureau of Statistics (ISTAT).

Expenditures on milk, cheese, and eggs as a group increased from $1,094 million to $1,589 million, and on fish, from $290 million to $454 million. Sugar, cocoa, and confections went from $320 million to $715 million. Spending on vegetables and fruits also more than doubled, moving from $840 million to $1,869 million and from $514 million to $1,179 million, respectively. The figure for vegetables includes potatoes, a staple in many northern parts of the country.

During the 15-year period, wheat products lost their position as top item. Although production of better bread and breadsticks kept consumption at a high level, the rise in expenditures for wheat products—from $1,627 million in 1951 to $2,038 million in 1965, or 25 percent—was not nearly so great as for other items.

Inter-American Bank To Help Finance Argentine Farm Development

The Inter-American Development Bank has approved two loans totaling $32,710,000 to help finance the first stage of a broad agricultural development program for a 296,000-acre area in northern Argentina. This stage of the program has two phases—one calling for the construction of irrigation facilities and one for land settlement and development on 159,000 acres of the Dulce River Valley in the Province of Santiago del Estero.

In the project's first 3 years of production, some 58 percent of the farmland will be devoted to alfalfa and cotton; 34 percent to vegetables and fruits; and 8 percent to corn and sorghum.

Directly benefited will be 7,856 farm families now living in the valley or soon to be settled there. In addition, the program is expected to stimulate the overall economic development of the Province, which is one of Argentina's least-developed areas.

One of the loans, for $22,230,000, will be used in the irrigation phase of the program, which will be carried out at a total cost of $57.1 million. It was extended to the Empresa del Estado Ague y Energia Eléctrica, a Federal Government entity in charge of Argentina's electric power and irrigation facilities.

This phase includes the completion of the Río Hondo Dam, which will create a reservoir with a capacity of 1.6 billion cubic meters; the improvement of a diversion dam 43 miles downstream, which will regulate the flow of water to the irrigated area; improvements in the main irrigation canal; expansion of secondary canals; and construction of the tertiary distribution networks and of drains, ditches, and drainage systems.

The other loan, for $10,480,000 was made to the Province itself, to help carry out the colonization phase of the project, which will total $40.8 million in all.

The colonization phase includes the relocation of 240 families displaced by the Río Hondo Dam; the installation of roads, electric power facilities, civic centers and schools, the settlement of 485 farm families on 25,400 acres of state-owned lands which will be cleared; the extension of long-term credit for on-farm improvement, medium-term credit for farm machinery and equipment, and short-term credit to finance crops; and installation of industrial plants.

In addition, technical assistance will be provided to the settlers on irrigation, drainage, and farming techniques, and on mechanization and related activities.

Clockwise from above: Portable platform aids in hops cutting; support poles are stacked after harvest on this private farm near Zalec; author (r.) and Director of Hops Institute inspect load of hops for mechanical picker.

Reputation For Quality Keeps Yugoslav Hops Exports Strong

Exports of premium hops varieties—much in demand for making of fine beers—have earned for Yugoslavia an important place in world hops trade.

Yugoslavia is the sixth largest producer of hops and fourth largest exporter, behind the United States, West Germany, and Czechoslovakia. Its shipments during 1962-65 averaged about $9.2 million annually and went to over 22 countries. Among the top buyers were the United States and West Germany—despite their positions as leading hops exporters—as well as the United Kingdom, the USSR, Austria, and the Netherlands.

A long tradition

Production of hops in Yugoslavia has a long tradition, supposedly beginning on a large scale at Zalec in the northern part of the country and later spreading into Backi Petrovac. According to historical publications, the first Yugoslav bulletin on hops output was printed in 1882.

As in most other producing nations, Yugoslav hops output fluctuated markedly during the war years. The area reached 4,500 acres shortly before World War I but was off to 1,500 immediately after the war. Output again moved upward until just before the depression of 1929-33, after which only a few acres remained in production. Output before and after World War II was about the same as for the first war, but it then began to rise sharply on a more stable basis.

The largest crop on record came in 1964, when 13.5 million pounds were produced from 10,200 acres. Production in 1966 is estimated at 11.1 million pounds from 9,800 acres—slightly above the 1965 crop but some 75 percent above the 1955-59 average.

This production is fairly evenly divided between the state, cooperative, and private sectors, with private farmers alone accounting for 35-45 percent of total output. On state-run farms, mechanization has been adopted to the maximum extent possible, including machinery for harvesting in fields and mechanical hops pickers—the newest addition to the industry. Contracts usually run 3-5 years ahead of production, so that in the year prior to production 90 percent of a crop has been sold.

Steadily improved in quality

Hops growers in Yugoslavia have continually endeavored to improve the quality of their crop. After World War II, the industry established a hops institute, which devotes full time to quality-improvement research. This and other production changes were made principally to meet requirements of the export markets, with the result that Yugoslav "Golding" brand hops have become known for their high quality. Also, exports consist mainly of premium types of hops, which command top prices in world markets.

Most of the exports come from Grades 1 and 2, while Grade 3 hops have in the past formed the backbone of the domestic beer industry. However, the domestic market, too, has begun to get higher quality hops, with this change contributing in part to a sizable increase in per capita consumption of beer. Currently, about 5.3 gallons per year are consumed compared with 3.7 in 1964.

A profitable crop

According to recent semiofficial reports, hops production in 1966 was very profitable to the Yugoslav farmer. Gross income in the Vojvodina was equivalent to around $875 per acre, while net profit was about $145 per acre; by comparison, production of wheat—another major crop—brought in only $85 per acre in the Socialist sector. And some hops producers received $325 per acre, according to the reports. If prices remain favorable, an expansion in acreage will probably take place over the next several years, and accordingly, more Yugoslav hops will be available for export.

—CLYDE R. KEATON
U.S. Agricultural Attaché, Belgrade

Mediterranean Citrus Countries Find Eastern Europe A Good Market

Exportable supplies of Mediterranean-area citrus have shown substantial increases the past few years, creating the necessity of expanding existing markets and searching for new ones. Also, the implementation of the EEC reference price system, which could reduce imports, has exerted further pressure for seeking other markets.

The Mediterranean suppliers have shown an increasing interest in Eastern Europe as an outlet. As a result, the market in Yugoslavia and the Soviet-oriented countries, while still small, has now become increasingly important to several citrus-exporting countries. Bilateral trade agreements and barter arrangements between the Mediterranean area and Eastern Europe often include citrus. While this can result in sharp yearly fluctuations, exports to this market are increasing.

Israel, Spain expand shipments

The Eastern European market has increased its imports from Israel in each of the past three seasons and in 1965-66 received more than one-half million boxes of citrus, mostly oranges. This trend is especially true of Yugoslavia, as previously made barter agreements become effective. In addition, exports of citrus juices to Yugoslavia and other Eastern European countries in 1965 registered substantial gains over the previous year. This increase in citrus exports has not been made at the expense of Israel's larger traditional markets, but has provided an outlet for some of the country's expanded production.

Spanish citrus exports to the Soviet-oriented countries, consisting mostly of oranges, have also expanded. For several years the percentage of Spain's total citrus exports destined for this area was only about 3 percent. In 1965-66, when Spanish exports were at near-record levels, this area received 7.4 percent of the total shipments including 2.9 million boxes of oranges.

East Germany was the major recipient of Spanish oranges (1,211,900 boxes), while Czechoslovakia imported 101,000 boxes of lemons. Recently signed trade agreements have also included citrus. These reportedly called for shipments in 1967 of US$1 million worth of Spanish citrus to Hungary, US$4 million worth to Poland, and US$4.3 million worth to East Germany in 1968. Substantial sales to the USSR have also been announced.

Italy, which exports more lemons than any other country in the world, ranked Poland as its second largest market for this item in 1965-66 (1.2 million boxes in the first 11 months of the season), with the USSR ranking third (879,000 boxes in the same period). While the Soviet-oriented countries have traditionally been important markets for lemons, West Germany has remained No. 1 (3.1 million boxes in the first 11 months of 1965-66).

Outlet for small suppliers

The Eastern European area has become an even more important outlet for citrus from the smaller Mediterranean suppliers.

The USSR had been an insignificant market for Cyprus before 1960, but by 1965-66 exports had expanded, making this country the second largest importer of oranges from Cyprus (224,000 boxes) and the third best market for its lemons. In the same season, Czechoslovakia proved to be the second most important market for Cyprus' grapefruit and third for oranges. Most of this increase has come about in the past 2 years. In 1965, the USSR replaced the United Kingdom as the largest importer of Cyprus' orange juice, taking 45 percent of the total exports, while Czechoslovakia ranked third and Romania fourth.

A sharp increase in exports of citrus to the Eastern European countries was also registered by Turkey in 1965. About 48 percent of the orange shipments and 42 percent of the lemons went to these countries, compared with 17 percent and 7 percent, respectively, in 1964. For the first 6 months of 1966, this area received about 64 percent of Turkey's total orange exports and 89 percent of its lemon shipments.

Much the same is true for Morocco and Tunisia. The USSR was the third most important market for Moroccan oranges in 1965-66 (1.4 million boxes) and was second for grapefruit. In the same season, more than 20 percent of Tunisia's citrus exports went to Eastern Europe, a considerable increase from previous years' levels.

Greek exports decline slightly

During the past few years, citrus exports from Greece, especially oranges, have exhibited a movement toward Western Europe. In 1963-64, the Eastern European countries received about 85 percent of the Greek citrus exports, while in 1965-66 this proportion had declined to about two-thirds. At the same time, shipments to the EEC countries increased from under 5 percent to almost 18 percent of total exports. Despite this trend, East Germany remains the principal market for Greek oranges and the USSR the leading importer of its lemons.

Trade agreements are also important in fostering exports of Greek citrus. For example, recently signed 5-year agreements reportedly call for exports the first year of US$3.5 million worth of citrus to Yugoslavia and US$800,000 of citrus to Rumania. The present bilateral trade agreement with the USSR also provides for the importation of citrus fruit from Greece.

FAS Publications Recently Issued

More detailed information on the world citrus situation is given in the circular FCF 2-67 entitled The 1966-67 Winter Citrus Prospects for Competition in Europe, *which may be obtained without charge by writing to Room 5918, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.*

Also available without charge from this same source are the following reports: Cotton in Australia, FAS M-181; Canadian Wheat Marketing, FAS M-140 revised; *and* World Production and Trade: Tallow and Greases, FAS M-182.

The report on Australian cotton deals with the spectacular expansion of that country's cotton output. The Canadian report shows how the marketing system has aided exports and helped reduce stocks. The last is important because the United States is the world's largest producer and exporter of tallow and greases.

A pump station at left and sluice, below, control water flow in canals of the Okatan Dam project.

An Era of Change for South-West Africa

South-West Africa stands unique amongst its neighbors in Africa. The country is a social and cultural mixing bowl which covers 317,887 square miles —larger than Texas—with a total population of 560,000—about the size of Fort Worth. Most of the land is semidesert with such uncertain weather conditions that extensive cultivation has been impractical. Nevertheless, the country's population, 10 percent of it white, has a per capita income surpassed south of the Sahara only by the Republic of South Africa, Rhodesia, and Zambia.

Prior to World War I the territory was known as German South-West Africa. It is now administered by the Republic of South Africa under a mandate established by the old League of Nations. In practice, it is governed as a fifth province of the Republic; trade statistics are included in those of South Africa.

The economy of South-West Africa is undergoing extensive development. The $200-million Odendaal project is bringing improved education and health facilities and a number of water projects to northern African territories, one of which is Ovamboland. The water projects are expected to help develop the northern territory's existing agriculture while other schemes in other parts of the country will provide small dams, hundreds of boreholes, and an irrigation settlement on the banks of the Orange River.

Much of this expansion is supported by South African funds, but a favorable trade balance has enabled South-West Africa to help itself considerably. Until recently the economy of South-West Africa depended almost wholly upon live animal exports to South Africa—about 17-28 percent of the Republic's commercially slaughtered cattle—and a highly developed karakul sheep industry. Persian lamb pelts from the karakul earned $20 million in 1965. Lately, diamonds, copper, and a relatively new but important ocean fishing industry have been valuable money earners. Photos: South African Information Service.

A karakul coat takes shape, above. At left is the first class of student nurses being trained to staff a recently completed hospital in Ovamboland, the northern section of South-West Africa. About $3.5 million already has been invested in a 10-year project to provide modern hospital facilities.

U.S. Is World's Leading Producer of Red Meat But Ranks in Fifth Place As a Meat Consumer

The United States is by far the largest red-meat-producing country in the world. In 1965 its output totaled about 31.5 billion pounds: Beef and veal, 19.7 billion; pork, 11.2 billion; and mutton, lamb, and goat meat, 0.6 billion.

That year the USSR was in second place as a meat producer with production totaling 16 billion pounds. The other large meat-producing countries are France, 7.2 billion in 1965; West Germany, 6.6 billion; Argentina, 5.5 billion; Brazil, 4.5 billion; the United Kingdom, 4.4 billion; and Australia, 3.8 billion.

U.S. beef and veal production in 1965 at 19.7 billion pounds was considerably more than the 7.3 billion for the USSR, which was in second place. Other big beef-producing nations are Argentina, Brazil, and Australia.

Pork production in the United States averaging 11.2 billion pounds yearly, far exceeds that in any other country of the world. In 1965 West Germany ranked second with 4.1 billion pounds; France third, 3.2 billion, and Denmark fourth, 1.7 billion.

Australia and New Zealand are the largest producers of mutton and lamb with a total in 1965 of 1.3 billion pounds and 1.1 billion pounds, respectively. The United States was in third place with 651 million.

Who eats the most meat

Although the United States is the world's largest producer of red meat, it ranks in a rather low fifth place as a consumer. Red meat consumption in the United States totaled 167 pounds per capita in 1965 compared with 234 pounds in New Zealand, 210 in Australia, and 206 in Argentina.

The largest beef-consuming country in the world is Uruguay with a yearly per capita of about 181 pounds. Consumption of beef in the United States is around 105 pounds.

Denmark is the largest pork-consuming country with a 75-pound per capita; the United States ranks seventh with 59 pounds.

The only major lamb- and mutton-consuming countries are New Zealand and Australia with per capitas of 89 and 85 pounds, respectively. In the United States per capita consumption is only about 4 pounds per year.

Small amounts of horse meat are consumed in most European countries. Belgium ranks first with a per capita of 8 pounds per year, and France is in second place with 5 pounds. Practically no horse meat is consumed in the United States.

How the exporters rank

Australia and Denmark are the largest red meat exporters in the world. In 1965 red meat exports from these two countries were around 1.5 billion pounds each. Argentina ranked third with 1.14 billion, and New Zealand was fourth with 1.11 billion. These four countries controlled about 58 percent of the world's red meat exports. The United States was far down on the list with exports totaling only 111 million pounds.

Australia and Argentina are the major beef-exporting countries. In 1965 Australia became No. 1 with exports totaling 1.1 billion pounds compared with 933 million for Argentina. The takeover of the No. 1 spot by Australia resulted from prolonged drought conditions in Argentina. Exports of beef from the United States totaled only 54 million that year.

Denmark is the world's leading exporter of pork, shipping 1.3 billion pounds in 1965. The Netherlands was in second place with 425 million. Yugoslavia and Poland are also relatively large exporters of pork, ranking third and fourth. Pork exports from the United States in 1965 totaled only 55 million pounds, or about 1.8 percent of the world market.

New Zealand and Australia control about 87 percent of the lamb and mutton export business. In 1965 New Zealand was by far the leader with exports totaling 759 million; Australia in second place shipped 354 million. The United States exports only very minor quantities of lamb, generally to Canada.

The big importers

With regard to imports of red meat, the situation for the United States is entirely different. In 1965 it led all other countries as an importer of beef with a total of 942 million pounds. The United Kingdom, usually the leading importer, was a close second with 934 million. Other relatively large beef importers were Italy with 575 million and West Germany with 361 million.

Although the United States is the world's largest pork producer, it also ranks high as an importer. The United Kingdom led the world as an importer of pork with 1.4 billion in 1965. However, the United States was in second place with 333 million. Most of the pork entering the United States is in the form of canned hams originating in Europe.

The United Kingdom is the world's leading importer of lamb and mutton with imports of 792 million pounds in 1965. Japan was in second place with 119 million, and the United States third with 73 million.

In 1965 the United States imported $830 million worth of livestock and meat products and exported $487 million. Valuewise, beef and veal imports were largest at $242 million. Pork was second at $159 million, wool third at $143 million, and cattle fourth at $104 million.

The byproduct business

Although the United States is only a minor exporter of red meats, it is the world's largest exporter of livestock byproducts.

In the last few decades the incomes of U.S. cattlemen and packers have been supplemented as a result of new scientific developments, especially in the area of inedible byproducts. New industrial uses have been found for tallow, and animal glands are now used extensively in the production of such pharmaceuticals as insulin.

In value, U.S. tallow exports are the most important: this trade reached $195 million in 1965. Hides and skins were second at $108 million, variety meats third at $56 million, and lard fourth at $47 million.

—MARTIN V. GERRITY
Meat and Livestock Division, FAS

No Foot-and-Mouth in Belgium

Belgium, like France (*Foreign Agriculture*, Feb. 13) is taking measures to protect its livestock from the current outbreak of foot-and-mouth disease in the Netherlands. These measures include temporary import pro-

hibitions on cloven-hoofed animals from the Netherlands (transit also being prohibited); on fresh, refrigerated, or frozen meat and processed meat derived from these animals; on raw, refrigerated, or frozen byproducts; and on hay, straw, and manure.

A further protective measure being used in Belgium is a trivalent vaccine for hogs, which was also used extensively during the outbreak of 1965-66. Although hogs must be revaccinated every 3 months, the vaccine appears to be effective, since no cases were reported in Belgium up to February.

The outbreak in the Netherlands, which has been traced to imports from West Germany, is not considered as serious as the one that lasted from October 1955 through March 1966. According to officials of the Belgian Ministry of Agriculture, it is localized in the eastern Provinces of the Netherlands, with 55 cases reported as of January 7 this year. Officials say also that Belgium's import prohibition, which went into effect January 11, might be lifted in the near future for shipments originating from Provinces where no cases of the disease have been found.

Belgium has not so far taken similar measures against imports from West Germany, since no import licenses have been issued for products originating there.

With no new cases reported in France since December 16, Belgium's embargo on imports of hay, straw, and manure from that country was lifted as of January 11, and it is expected that Belgium will soon permit the import and transit of French cloven-hoofed animals.

French Building Soybean Mill

Three French firms plan to build a large soybean processing plant this year at St. Nazaire on the coast of Brittany. The plant will have a capacity of over 5 million bushels a year.

With these new facilities, France's imports of soybeans—which averaged 4.5 million bushels per year in 1963-65, nearly all from the United States—are expected to increase sharply next year, after a slight decline in the marketing year 1965-66.

However, the increased domestic production of soybean meal for which the plant will be responsible will probably not be sufficient to meet France's growing demand. French imports of U.S. soybean meal, which totaled about 360,000 short tons in the marketing year 1964-65, rose to around 450,00 short tons in 1965-66.

Soviets Increased Output and State Purchases Of Both Sunflowerseed and Sugarbeets in 1966

Recent Soviet industry reports indicate increases in production and government purchases of both sunflowerseed and sugarbeets.

A record 4.7 million tons of sunflowerseed from the USSR's 1966 crop were purchased by the state, according to the latest issue of the Soviet fats and oils industry journal. This figure is 800,000 tons above that for 1965 and more than 750,000 tons above the previous record purchases in 1964.

The following table shows how government sunflowerseed purchases (and, for some years, its total oilseed purchases) have developed since 1960:

	Sunflowerseed	Total oilseeds
	1,000 tons	*1,000 tons*
1960	2,293	(1)
1961	2,928	(1)
1962	3,082	(1)
1963	3.033	3,451
1964	3,933	4,254
1965	3,888	4,264
1966	4,688	(1)

[1] Not available.

1960-65, *Narodnoe khazyaystvo SSSR 1965;* 1966, *Maslo-zhirovaya promyshlennost'*, No. 1, 1967.

This increase in production and government purchases of sunflowerseeds has been accompanied by a rapid increase in the production of cotton, all of which is purchased by the government. If the 1966 cotton crop recovered from its early-season setbacks of earthquakes and unfavorable weather in Tashkent, the major producing area, oilseed availabilities could be further increased.

For sugarbeets, too, government purchases from the 1966 crop are reported as larger. The latest sugar industry journal gives them as about 70 million tons, or 2.5 million above those of 1965, although about 6 million below the 1964 record. Figures for recent years are as follows:

	1,000 tons
1960	52,198
1961	47,742
1962	43,946
1963	41,455
1964	76,124
1965	67,500
1966	70,000

1960-65, *Narodnoe khazyaystvo SSSR 1965;* 1966, *Sakharnaya promyshlennost'*, No. 1, 1967.

Soviet sugarbeet production ranged around 45 million tons until 1964. In that year, with greater planted area, higher prices, and a sharp increase in fertilizer usage (from 91 kilograms per hectare to 164), production shot up to over 80 million tons, of which the government purchased 76 million. The sugar content of this year's crop, however, is reportedly low. Raw sugar imports from Cuba have continued at high levels.

Rhodesian Tobacco Research

Rhodesia's Tobacco Research Board is now operating two new stations, first in the country to concentrate on the growing, curing, and handling of burley and oriental tobaccos.

The station at Banket, which began operations on January 26, will work on burley tobacco; the Fort Victoria station, which opened February 16, will specialize in oriental tobacco.

The Rhodesian Government provided loans for the development of the stations and will furnish annual grants toward their running costs. According to Dr. Iain McDonald, director of the Board, the new facilities have been set up in ideal climatic and soil areas for each type, and both tobaccos can be grown well in many parts of Rhodesia. Oriental tobacco in particular is felt to have a promising future in African agriculture.

Czech-Cuban Trade Pact

Czechoslovakia has recently signed a $90-million trade agreement with Cuba. The Czechs are to furnish machinery and trucks, spare parts, and malt and other raw materials; the Cubans, sugar, molasses, minerals, tobacco, and fresh and canned fruit. Cuba is reported to be already in debt to Czechoslovakia for earlier imports and credits totaling $100 million.

Charity Bake Sale in Rome Introduces U.S. Packaged Cake Mixes

U.S. packaged cake mixes were almost unknown in Italy—until "Operation Cake Mix" was carried out shortly before Christmas last year at the annual Red Cross bazaar in Rome.

The operation—primarily an enterprise to raise money for the Italian Red Cross — introduced American cake mixes to thousands of Italian consumers personally. Millions more learned about these convenience foods from press and television reports of the activity.

"Operation Cake Mix" was a joint effort of the American Women's Association of Rome, four U. S. food manufacturing firms, the Miller's National Federation, and Agricultural Attaché Robert C. Tetro, American Embassy, Rome.

The women's association, which represents some 500 American families resident in Rome, baked and sold cakes in a booth at the bazaar. The food firms donated the packaged mixes. The millers' federation provided funds for miscellaneous supporting costs and coordinated shipment of mixes and promotional literature. The agricultural attaché and his staff coordinated various phases of the operation and arranged to publicize it.

Rome's Red Cross bazaar is patronized each year by tens of thousands of Italians—over half of them in family groups. This year, the bazaar featured food and craft booths of 24 embassies in Rome and of scores of commercial organizations.

The women's association manned the U.S. booth with teams of 10 members, in two shifts each day. The women not only baked and decorated the cakes they sold, but also demonstrated how easy it was to do both. One member of each team explained in Italian over a limited public address system what the demonstrators were doing at each step of the mixing and decorating. Large crowds collected at each demonstration, and many stayed to buy boxes of mix.

In all, the teams baked 710 cakes, which they sold whole or by the slice. They also sold more than 2,000 boxes of the mixes. Slices sold for about 16 cents each, whole cakes for $1.50 to $2.00. Packaged mixes were sold at below the normal retail price to encourage the Italians to try them.

Plain angelfood was the cake most popular with bazaar visitors. All mixes of this cake sold out in the first 3 days. Angel bread—as the Italians call it—is very expensive and difficult to make under local conditions from usual cookbook recipes. Those who watched the demonstrators mix and bake this cake were intrigued with the ease of its preparation.

Also popular were apple spice, chocolate, and white cakes. Members of the press—who were offered samples of the cakes at a special luncheon —showed a strong preference for the chocolate. They were unanimously impressed with the texture, flavor, and moisture content of all the cakes.

As part of the operation, complimentary tickets to the bazaar were sent to 400 members of various religious and other groups. By serving as members of taste panels organized at the bazaar every other day, at least 160 managers and stewards of these groups familiarized themselves with U.S. cake mixes.

The operation was covered by all the Roman papers, the major economic press, the most widely distributed periodicals, chief press agencies, and radio and television. One 3-minute TV show of the bazaar devoted 1 minute to the U.S. booth. This show had an estimated 10 million viewers.

Right and below, American women at charity bazaar in Rome fill and ice the cakes they have just baked. Below right, fairgoer gets added instructions for making a cake from the packaged mix he is buying.

West Germany Increases Tobacco Excise Taxes

Retail prices of all tobacco products in West Germany will be increased effective March 1, 1967, following a sharp advance in excise tax values. The increase is expected to reduce consumption by 5 percent. Also, the new excise tax rates will make harmonization of this tax in the European Economic Community more difficult.

The most important changes are applicable mainly to cigarettes. The new taxation method involves a combination of specific and ad valorem rates. This method fixes the new minimum retail sale prices and eliminates gaps which previously existed under the old system. Changes in the tax rates and minimum prices for the other tobacco products were made primarily to prevent their sales from making significant inroads in the share of the market held by cigarettes, since cigarettes account for about 95 percent of excise revenue from all tobacco products.

The new tax rates levied on cigarettes vary by retail sale price categories.

For the most important category, which represents 68 percent of total sales, the retail price was increased from 8-1/3 pfennigs per piece to 9-1/11 pfennigs, or an increase of about 9 percent, but the excise rate was advanced 15 percent. The resultant increase for this category means that in the future about 70 percent of these cigarettes will be packaged in units of 11 instead of 12, but still retailing at DM 1.00 (U.S. 25 cents). The industry prefers to reduce the number of cigarettes in these packs rather than to increase the retail price, so that these packs can continue to be sold through vending machines. Over half of all cigarettes sold in Germany are marketed this way.

For the other price categories, the retail price increases range from 10 to 14.3 percent, and excise tax rates were advanced from 15 to 25 percent. The average retail price of all cigarettes sold in West Germany after March 1, 1967, will probably be slightly above the equivalent of 46 U.S. cents per pack of 20, compared with the average of 42.1 cents for January-September 1966.

India's Leaf Tobacco Exports Drop

Exports of leaf tobacco from India were down sharply during the first 8 months of 1966 from the comparable period of 1965. They totaled only 51.5 million pounds during January-August 1966, compared with 103.1 million. The decline is partly attributable to smaller export supplies from the drought-reduced 1965-66 crop and partly to a sharp drop in the Soviet Union's purchases.

Shipments to the Soviet Union totaled only 4.4 million pounds in January-August 1966, compared with 48.0 million a year earlier. The United Kingdom's purchases showed a smaller drop, totaling 24.2 million pounds in the first 8 months of 1966, compared with 32.5 million. Flue-cured is the principal kind of tobacco shipped from India to both the Soviet Union and the United Kingdom.

India's exports to Japan, however, showed a good gain in 1966. They rose from only 131,000 pounds in January-August 1965 to 3.1 million for the comparable months of last year.

Gain in U.S. Exports of Maryland Tobacco

Maryland tobacco exports rose last year. At 10.6 million pounds (export weight), they were about 5 percent larger than the 10.1 million shipped out in 1965.

Major markets for Maryland tobacco in 1966 included Switzerland, 6.0 million pounds; West Germany, 1.2 million; and Spain, 1.0 million.

The average export price per pound for Maryland tobacco in 1966 was 80.0 cents, compared with 78.4 cents in 1965.

U.S. EXPORTS OF MARYLAND TOBACCO

Destination	1964	1965 [1]	1966 [1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Switzerland	6,897	5,912	6,028
Germany, West	723	650	1,239
Spain	382	350	975
Belgium-Luxembourg	1,087	1,076	688
Portugal	1,131	441	684
Vietnam, South	0	227	245
Netherlands	988	608	240
France	488	132	240
Tunisia	331	0	66
Norway	60	51	63
Other	233	669	144
Total	12,320	10,116	10,612

[1] Preliminary.
Bureau of the Census

Ontario's Flue-Cured Auction Prices

Auction sales of 1966-crop flue-cured tobacco in Ontario, Canada, continued strong through February 3, 1967. Cumulative sales through that date totaled 129.9 million pounds, at an average price of 73 Canadian cents per pound. This accounted for about 63 percent of the crop, estimated at 206 million pounds.

Taiwan's Leaf Tobacco Exports Set Record

Taiwan's exports of leaf tobacco set a new record in 1966. Shipments during the first 9 months of calendar 1966 totaled 11.3 million pounds, compared with 6.1 million for full calendar 1965 and 4.1 million for calendar 1964.

The principal export market for Taiwan's leaf tobacco —virtually all flue-cured—is West Germany. Export shipments to that country during January-September 1966 totaled 9.3 million pounds, compared with 5.3 million for full calendar 1965 and 3.3 million for calendar 1964.

The average export price per pound for all shipments during the first 9 months of 1966 was equivalent to 27.8 U. S. cents, compared with 30.0 for calendar 1965 and 22.7 for calendar 1964.

Zambia's Tobacco Crop Smaller

Early season estimates place Zambia's total 1966-67 tobacco harvest at about 13.7 million pounds, grown on some 14,600 acres. This compares with a total of 16.8 million pounds for the 1965-66 season.

Flue-cured is expected to account for 12.5 million

pounds this year—down from 14.5 million last season because of sharply reduced plantings. Burley production may total only 800,000 pounds, less than half last year's.

French Walnut Data Revised

Recent information indicates that the 1966 French commercial walnut harvest totaled 32,000 short tons, in-shell basis. This would be 1,000 tons less than the earlier estimate (Oct. 17, *Foreign Agriculture*). The 1965 crop was 20,000 tons, and the 1960-64 average was 28,600.

Exports during the year beginning October 1, 1965, totaled 8,200 tons—slightly below earlier estimates. In the first 2 months of the 1966-67 season, exports totaled 11,800 tons indicating that they may just about double last year's level by the end of the season. As usual, West Germany took about three-fourths of the early season shipments for the holiday season trade.

French walnut growers, research workers, and government officials have formed an association for the advancement of the walnut industry. It deals mainly in developing and promoting modern cultural practices, disseminating more desirable nursery stock, and adapting production to domestic and foreign demand.

No Change in Iranian Almond Crop

Iran's 1966 almond crop is still estimated at 2,500 short tons shelled basis (*Foreign Agriculture*, Oct. 10). This would be sharply below the 1965 and 1960-64 average harvests, which totaled 6,600 tons each.

Exports during the 1965-66 marketing year(beginning Sept. 23, 1965) totaled 2,500 tons. This is about 10 percent below earlier expectations and 42 percent below average. As usual, India, Pakistan, the Soviet Union, and East Germany were the leading markets for Iranian almonds. However, the Soviet Union and East Germany both took a higher share of the total than usual. In 1966-67, exports are expected to be near 1,000-1,500 tons.

Turkish Filbert Market Strengthens

With a near-record 1966 harvest of 200,000 short tons in-shell basis and a carryover of 20,000 tons of 1964- and 1965-crop nuts, Turkish filbert supplies hit an alltime high last fall. However, most of the old-crop nuts were disposed of early in the season, as some 1964-crop nuts were exported at concessional prices and many were processed into oil. In addition, over two-thirds of the new crop was purchased as a price-support measure by Fisko-birlik, the government-backed filbert marketing cooperative.

As a result, the season opening price of 48.3 cents per pound (Kerassunde kernels f.o.b. Turkish port) in the first week of September rose gradually to 52.1 cents in early February.

The 220,000-ton supply for the 1966-67 season compares with about 216,000 tons (1,000 stocks and 215,000 new crop) in 1964-65 and 139,000 tons (64,000 stocks and 75,000 new crop) in 1965-66. During the five seasons, 1960-64, Turkish filbert production averaged 114,800 tons, and beginning stocks averaged 17,600, for a total season supply of 132,400 tons.

Exports during the 1965-66 season totaled 101,700 tons in-shell basis—the lowest in 3 years. As usual, West Germany took nearly half of the total, but Switzerland, which usually buys 10-20 percent of the total, made only minor purchases. However, unusual sales developed as Russia and Hungary each took over 10 percent of the total, probably as a result of bilateral trade agreements with Turkey.

During the first 3 months (September-November) of the current season, Turkish filbert exports have already reached 59,532 tons, and they are expected to total about 145,000 tons by the end of the season.

London's Canned Fruit and Juice Prices

Selling prices in London (landed, duty paid) of selected canned fruits and juices are given in the following table:

Type and quality	Size of can	Price per dozen units: Jan. 1966	Oct. 1966	Jan. 1967	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots:					
Whole, unpeeled, Choice	303	2.36	2.52	2.52	U.S.
Halves:					
Fancy	2½	3.20	3.20	3.22	S. Africa
Choice	2½	4.02	4.43	4.43	U.S.
Do.	2½	3.45	3.45	3.36	Australia
Do.	2½	3.10	3.10	3.01	S. Africa
Do.	#1 [1]	1.84	1.84	1.86	S. Africa
Halves in syrup	15 oz.	1.41	1.41	1.44	Spain
Fruit cocktail, Choice	303	2.76	2.74	2.62	U.S.
Do.	8 oz.	1.70	1.64	1.58	U.S.
Do.	2½	4.15	4.15	3.92	Australia
Fruit salad, Choice	15 oz.	—	2.24	2.10	Spain
Grapefruit sections, quality not specified	20 oz.	2.73	—	2.80	Israel
Do.	20 oz.	2.57	—	2.66	B.W.I.
Peaches, clingstone, halves:					
Fancy	2½	3.38	3.38	3.22	S. Africa
Do.	2½	3.55	3.55	3.40	Australia
Choice	2½	—	3.55	3.50	U.S.
Do.	2½	3.27	3.27	3.08	S. Africa
Do.	2½	3.45	3.45	3.26	Australia
Standard	2½	—	—	3.08	U.S.
Pears:					
Fancy	2½	3.55	3.55	3.43	S. Africa
Do.	2½	3.66	3.66	3.64	Australia
Choice	2½	—	4.46	4.46	U.S.
Do.	2½	3.45	3.45	—	S. Africa
Do.	2½	3.59	3.59	3.43	Australia
Pineapple, slices:					
Fancy	2½	3.91	3.91	3.69	U.S.
Do.	#2	2.94	2.94	2.80	U.S.
Do.	16 oz.	1.92	—	1.96	S. Africa
Choice	2½	3.64	3.64	3.13	U.S.
Do.	#2	2.73	2.73	2.23	U.S.
Do.	2½	—	3.26	3.22	Formosa
Choice, spiral	20 oz.	—	—	1.89	Malaya
Do.	16 oz.	—	—	1.64	Malaya
CANNED JUICE					
Grapefruit, unsweetened	19 oz.	1.87-1.94	—	1.92	Israel
Do.	43 oz.	—	—	4.27	Israel
Orange, unsweetened	19 oz.	1.89-2.03	2.03	1.96	Israel
Do.	43 oz.	4.34-4.55	4.58	4.48	Israel

[1] 15 oz.

Indian Sugarmills Cease Operations

Thirteen sugarmills in western Uttar Pradesh, India, have been forced to discontinue operations at times this year because of an inadequate cane supply. The decline in cane supplies to mills has resulted from increased consumption of cane by processors of gur and khandsari—generally, farm-produced sugars—prices of which con-

tinued to increase during recent weeks. Prices of factory sugar are controlled, and the basic minimum price for cane has proved inadequate to check the diversion of cane supplies from mills.

Production of factory sugar in India declined substantially during November-January of 1966-67. Indications are that total sugar production in 1966-67 may be 0.5 million tons below that of the previous year, which was 3.5 million metric tons exclusive of gur and khandsari.

Rise in U.S. Imports of Soluble Coffee

Imports of soluble coffee into the United States in 1966 totaled 10.6 million pounds. In 1965 they amounted to 2.8 million, while in 1964 they were 5.3 million.

Brazil accounted for 6 million pounds in 1966, compared with 275,641 in 1965 and 33,000 in 1964. Guatemala and Mexico ranked second and third as suppliers in 1966. Nicaragua was the largest supplier in 1965 and Mexico exceeded other countries in 1964.

Prices have been the major factor behind the import gain. For instance, Brazil's soluble-coffee exporters have a competitive advantage over manufacturers of this product in importing countries like the United States. The processors of soluble coffee in Brazil obtain their raw product at discounted prices, and these qualities of coffee are not made available to importing countries. Furthermore, Brazilian exports of soluble coffee are not subject to the contribution quota((export tax) that is charged for exports of green coffee.

Australia Produces Record Safflowerseed Crop

Australian farmers planted a record area—over 100,000 acres—to safflowerseed in the 1966-67 season. Production is estimated at 25,000-30,000 long tons. Total Australian production in 1965-66 was reported at 10,190 tons from 60,418 acres.

Some of Australia's major safflower crushers have examined the possibility of exporting safflowerseed or oil to Japan. However, it appears questionable whether it could be sold to that market at a price sufficiently high to meet the guaranteed price to growers. Failing this, some stocks of oil will have to be held in Australia, and production may have to be restricted during 1967-68. An increase in the use of safflowerseed oil in margarine production is a possibility, and this matter was to have come up for discussion at the Australian Agricultural Council Meeting this month.

Crushers and growers are now looking to further restrictions on imports of competing products and the Tariff Board is scheduled to start hearings on the need for increased protection on March 14 in Brisbane. It seems likely that producer interests will stress the volume of soybean oil imported (largely from the United States), and press for higher duties.

UAR Increases Cotton Export Selling Rate

On February 5, the United Arab Republic announced the fifth increase in the official export selling rates for cotton since the beginning of the season. The advances amounted to .84 U.S. cent per pound for Isis (Giza 45), Menoufi, and Giza 68 and .42 cent for Lotus (Giza 47), Dendera, Giza 67, and Giza 66. A sampling of new rates in force, in U.S. cents per pound, are as follows: Giza 66 FG, 32.42; Menoufii GFG, 41.15 and Giza 45 GFG, 45.31.

Chile To Import Australian Wheat

Chile's Empresa de Comercio Agrícola (ECA) recently concluded an agreement with the Australian Wheat Board for the import of 150,000 metric tons of Australian wheat valued at $10 million.

The new agreement followed the visit to Chile by an Australian Commercial Mission and represents the first large sale of Australian wheat in Latin America. It specifies that Australia must purchase from Chile commodities amounting to at least half the value of the wheat.

Chile's 1967 wheat deficit is currently estimated at around 550,000 metric tons, which ECA expects to offset with the purchase from Australia, plus wheat imports from the United States, Uruguay, Argentina, and France.

West Germany Ups Imports of Cheese, Butter

Imports of cheese into West Germany during the first 10 months of 1966, at 258 million pounds, were 13 percent more than those for the same months of 1965. Purchases from EEC countries increased 16 million pounds to 160 million and were as follows: From the Netherlands, 105 million pounds, compared with 99 million in 1965; France, 43 million (35 million); Belgium, 10 million (8 million); and Italy, 2 million (2 million). Denmark's shipments were 67 million pounds, 3 million more than in the 1965 period. Among other countries shipping somewhat larger quantities in 1966 than in 1965 were New Zealand, Switzerland, Norway, and Sweden.

Imports of butter rose 3 million pounds to 22 million. Major suppliers were France, 13 million pounds; Denmark, 7 million; and the Netherlands, 1 million.

Butter exports declined from 23 million pounds to 8 million and were about equally divided between France and Italy.

WORLD CROPS AND MARKET INDEX

Cotton
15 UAR Increases Cotton Export Selling Rate

Dairy and Poultry Products
15 West Germany Ups Imports of Cheese, Butter

Fats, Oilseeds, and Oils
15 Australia Produces Record Safflowerseed Crop

Fruits, Vegetables, and Nuts
14 French Walnut Data Revised
14 No Change in Iranian Almond Crop
14 Turkish Filbert Market Strengthens
14 London's Canned Fruit and Juice Prices

Grain, Feeds, Pulses, and Seeds
15 Chile To Import Australian Wheat

Sugar, Fibers, and Tropical Products
14 Indian Sugarmills Cease Operations
15 Rise in U.S. Imports of Soluble Coffee

Tobacco
13 West Germany Increases Tobacco Excise Taxes
13 India's Leaf Tobacco Exports Drop
13 Gain in U.S. Exports of Maryland Tobacco
13 Ontario's Flue-Cured Auction Prices
13 Taiwan's Leaf Tobacco Exports Set Record
13 Zambia's Tobacco Crop Smaller

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Highlights of the Agriculture and Trade of the Philippines

Resources:—Seven thousand islands separating the South China Sea from the Pacific Ocean constitute the Republic of the Philippines. With a total land area of 116,000 square miles—95 percent on 11 islands—the former U.S. possession is about the size of Arizona. It reaches almost 1,000 miles through tropic seas from just below Taiwan to Indonesia. The estimated population of 33 million is increasing about 3.2 percent a year. The islands have good stands of timber and proven deposits of copper, iron, lead, nickel, and manganese.

Agriculture:—Agriculture provides almost two-thirds of the total employment and a third of the national income. The agricultural land area is 19.5 million acres of average-quality tropical soils, but the crop yields are among the lowest of Asia. Output of rice, the main staple food, is about 1,115 pounds per acre, compared with 1,285 in India, 1,972 in Malaya, and 3,042 in Taiwan. Only Laos and Cambodia produce less.

The causes of the low yields have long been known but efforts to eliminate them have been weak, scattered, unsustained, and unrewarding. Not until 1966 did a promising well-rounded program emerge. A new president provided funds to get the job moving, then concentrated formerly dispersed specialists in a few key areas for a coordinated drive to root out the underlying ills.

The problem of inferior seeds appeared headed for an early solution when the International Rice Research Institute sharply increased the availability of its recently developed "miracle" rice. This new strain (IRR-8) has produced from two to five times as much as the seeds of native rice and rarely lodges. It does require good care and is neither strongly resistant to disease nor particularly appealing to the Filipino taste. Breeding research is continuing to eliminate the shortcomings.

Philippine consumption of fertilizer is exceptionally low; Malaysian rice farmers use twice as much and Japanese farmers 19 times as much; 70 percent of Philippine farmers use none. Hopes of expanding the use of fertilizer were high in 1966 as a U.S. firm opened a 400,000-ton plant with 400 outlets reaching into almost every important crop area. Each is operated by a dealer especially selected for farming know-how. For demonstrations and soil analysis, the dealers are backed by a staff of 50 agronomists.

Food Situation:—Although current domestic crops and a carryover from the previous year were considered adequate to meet the 1966 food needs, the government sought to import enough rice to discourage hoarding and to keep the price within the incomes of the poor. With a world shortage, the import program fell short of targets. Consumer prices rose, but no food shortage beyond the usual seasonal scarcity was reported.

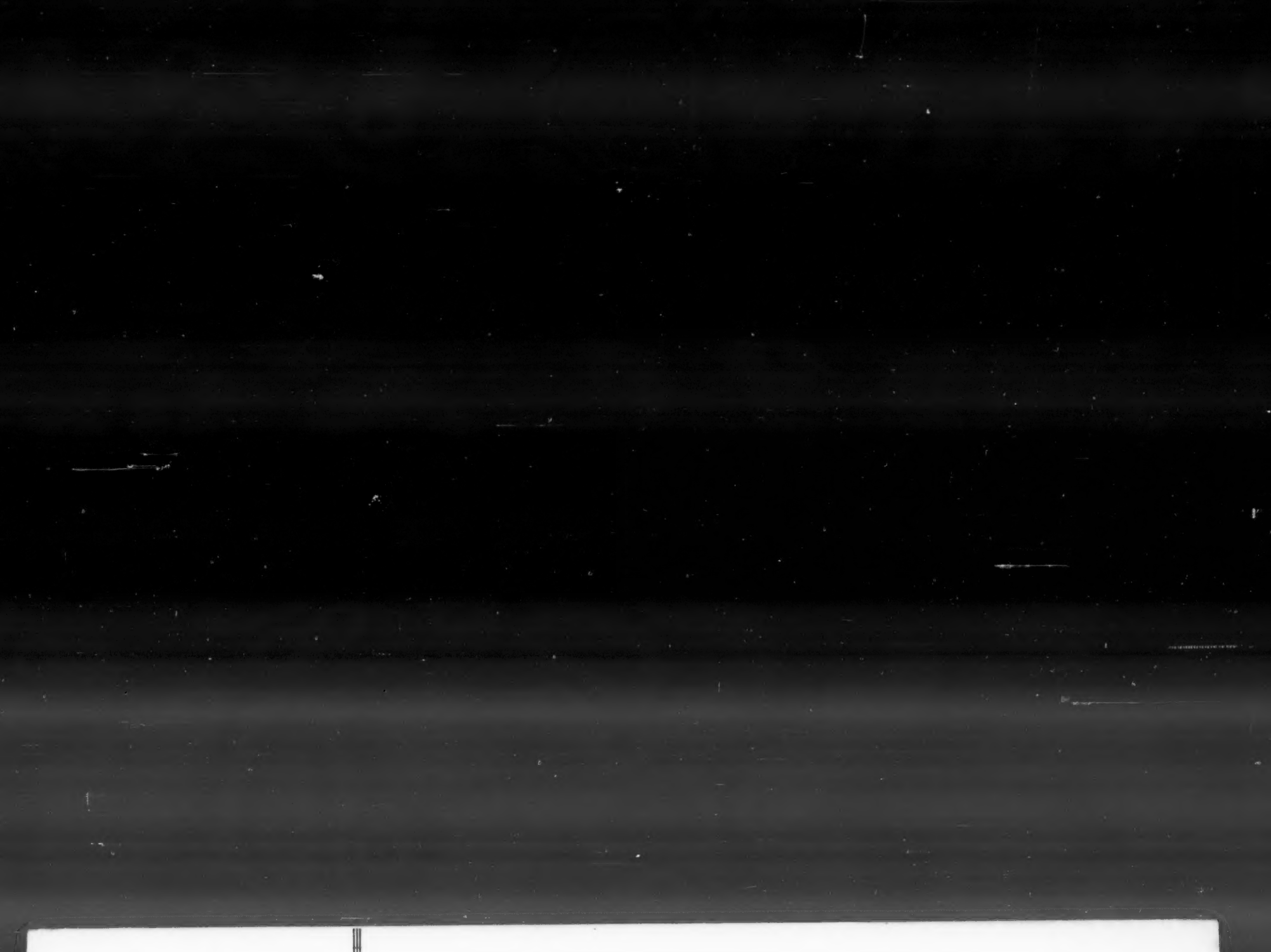
Foreign trade:—The world's main source of coconut products is the Philippines which in 1965 exported copra, coconut oil, coconut meal and cakes, and desiccated coconuts valued at $270 million. These, together with sugar, molasses, abaca, and pineapples, accounted for about 60 percent of all Philippine exports.

Of all agricultural products, only cereals, cotton, and dairy products are among the top 10 imports.

Agricultural trade with the U.S.:—Exports of U.S. agricultural products to the Philippines in 1965 were valued at $68.2 million—up almost 11 percent from 1964. A $9.5-million increase in shipments of wheat more than offset declines in rice and cotton. Fruits, led by orange juice, raisins, and fresh grapes, also made good gains.

U.S. agricultural imports from the Philippines were about four times the value of our exports. Sugar and coconut products, chiefly copra and coconut oil, accounted for 90 percent of the 1965 total of $278 million; next in importance were abaca, canned pineapple, scrap tobacco.

Factors affecting agricultural trade:—The strong gain in U.S. 1965 shipments of wheat came in a switch of buying from Canada after hard red spring wheats became available at our Pacific Northwest ports. Continued gains were anticipated.

With relatively high prices for dairy products, U.S. sales are meeting increasingly effective competition from Australia, New Zealand, the Netherlands, and Switzerland. However, for the short term, the outlook for canned fruits, vegetables, and meats is bright. Over the long run, the steadily growing Philippine food processing industry may be expected to supply a larger part of the demand.

—GOODLOE BARRY
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